(a) whether there is a provision for taking corporate loans for setting up industry in any part of the country; and

(b) whether the same loan facility is available for the people of rural areas as well?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) Reserve Bank of India (RBI) has reported that the credit related matters have been generally deregulated by the RBI and the commercial banks can sanction loans for setting up industry in any part of the country including in rural areas based on their commercial judgement, Board approved loan policy and extant RBI instructions.

RBI has also issued guidelines on lending to micro, small and medium enterprises to all Scheduled Commercial Banks and Regional Rural Banks (RRBs). RRBs, which have substantial presence in rural areas are expected to provide loans to the said sector as per the guidelines.

Waiver of crop loan in Karnataka

1248. SHRI RAJEEV CHANDRASEKHAR: Will the Minister of FINANCE be pleased to state:

(a) whether the State Government of Karnataka has requested the Centre for the reimbursement of Rs. 1880/- crore on account of the waiver of the crop loans up to Rs. 25,000/- in 2007 by the State Government *vide* its letter CO29CLS 2008 dated 26/9/08 addressed to the Prime Minister;

(b) if so, the action taken by the Centre thereon; and

(c) if not, by when action is likely to be taken?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (c) Yes, Sir. The Government of Karnataka had requested for reimbursement of an amount of Rs.1880 crore waived by it under the Karnataka State Government Debt Waiver Scheme of 2007. The matter was examined and it was found that the reimbursement requested by the Govt. of Karnataka did not fall within the scope of Agricultural Debt Waiver and Debt Relief Scheme 2008 (ADWDRS) of Government of India.

Loan to students

1249. SHRI T.K. RANGARAJAN: Will the Minister of FINANCE be pleased to state:

(a) whether his Ministry is aware of an announcement made by the Human Resource Development Minister that interest free educational loan would be available to students belonging to families whose income is less than Rs. 4.5 lakhs per annum; and

(b) whether this has been communicated to all the banks for implementation?